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NIE 11-1-8-87: Whither Gorbachev: Soviet Politics and Policy in the 1990s

Issues Which May Arise at the Meeting

- o The only major issue that arose during coordination sessions was the outlook for Soviet defense spending in the 1990s. The draft takes what the NIO believes is a balanced position. It argues that Moscow will continue to fund a robust R&D program and modernize its strategic and conventional forces. But it concludes that Gorbachev will have a continuing incentive through the 1990s to constrain the growth of defense spending--and even to reduce it somewhat--in order to concentrate on the task of rebuilding the beleaguered domestic economy. Indeed, if he does not do so, his economic modernization program will be in jeopardy. DIA plans to table an alternative view which will argue that the draft overstates the downward pressure on Soviet defense spending and that emphasizes the prospect of renewed growth later in the 1990s.
- o There is some chance that the issue of whether a successful reform effort would be "good or bad" for the United States will come up for discussion. The draft essentially says it would be both--producing some improvement in Moscow's competitive capabilities and a tougher political challenge, but also bringing policy changes that could open up new opportunities for the West on arms control, on regional issues, and in Eastern Europe. Whether or not that adds up to a net plus or minus for the West depends on how one defines Western interests--an issue best left to the policymaker. All agencies concurred with this approach, but I wouldn't rule out some argument from DIA or one of the services that we ought to hit harder on the dangers to the West.
- o DIA could propose to add some language on defense-related issues to the "Implications for the West" section of the Key Judgments. We rewrote this section following the final meeting (to remove some redundancy and roughness) and got telephonic concurrence. But DIA's regular representative was absent that day and has since attempted to get us to agree to reinsert some of the language that was dropped.
- o How much emphasis to give to the obstacles to reform is another issue that may arise. The draft takes what the NIO believes is a prudently balanced position. It judges that the political and economic barriers to fundamental reforms are formidable, and that even if implemented no one knows if the reforms will work. It asserts that the most likely outcome is one in which the push for reform largely fails. But it also argues that there is a "fair" chance Gorbachev will succeed in making some significant changes. Judging from a recent article of his, Bill Odom might want to make even more of the obstacles than the draft does and argue that real changes are impossible. The NIO does not believe such a categorical judgment is called for, given our uncertainties and the need to fully explore the implications of what used to be unthinkable possibilities that are now on the Soviet agenda.

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- o Odom's position more generally is something of a wild card. Inexplicably, despite Odom's strong views on the issues raised in this estimate, his representative did not play heavily in the coordination process--showing up for only 2 of the 5 days of meetings.

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Background Information for the DCI

- o This estimate was requested by the chief of the National Intelligence Council, reflecting his discussions with policymakers. It should also be responsive to a standing request from Senator Bradley for a study of probable policy developments in the USSR in the 1990s. The drafter is [redacted] A/NIO/USSR. [redacted]

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- o The estimate in effect attempts to explore the future--where does Gorbachev want to go and where do we expect the Soviets to be by the end of the century?. We have tried to be honest about our uncertainties and--rather than trying to predict a specific outcome--have formulated what we believe to be the most likely alternative possibilities. The community is in essential agreement that the Gorbachev leadership will probably fail to introduce changes sufficient to truly change the way the Soviet system works--at least within this century. But we believe there is still a fair chance that they could do so. Although the odds of this latter outcome are well less than 50-50, it has such significant potential implications for the West that we explore them in depth in the estimate and provide the reader some yardsticks by which to measure the regime's progress in this direction.
- o Recognizing this as a potentially controversial estimate, we made every effort to elicit outside views, hosting a conference of academic experts last August devoted to the key questions raised in the estimate, and asking several academics to read early versions of the draft.
- o We also attempted to smooth the way within the Intelligence Community by adding some extra steps to the usual process. Following the meeting on the Concept Paper last June, we asked for written agency answers to the Key Questions. We also sent out a preliminary, informal draft for comments prior to transmitting the formal coordination copy to agency representatives in October.
- o Given the potential for controversy, there were in fact relatively few disagreements over fundamental judgments during coordination meetings. The atmosphere at the table was good. The alternative language by DIA on defense spending covers an issue on which they regularly take a separate position in Soviet estimates.
- o At the NFIB meeting, we want to propose the insertion of a sentence into the Key Judgments to take account of the "Yeltsin" affair (supplied separately), which broke just as we were finishing our coordination meetings.

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